

Memorandum

To: Health Services and Development Agency Members
From: Mark Farber, Deputy Director
Date: December 3, 2015
Re: Reporting on Maxim Healthcare Services and Angel Private Duty and Home Health f/k/a Friendship Private Duty

During the November 2010 Agency meeting Maxim Healthcare Services-Nashville (CN0506-045A), Maxim Healthcare Services-Memphis (CN0704-029A), and Friendship Private Duty (CN0802-009A) requested that conditions that limited the agencies to private duty services only be removed. The CONs were originally approved with this limiting language because while there was no demonstrated need for a regular Medicare home health agency, there was a need for agencies that could provide private duty services, which includes home visits of much longer duration to a very medically fragile population. Unfortunately, after the CONs were approved, TennCare* began to require that home health agencies be Medicare certified in order to contract with TennCare managed care organizations (MCOs). This meant that these agencies could not serve the very population that had prompted their original approval. All of the agencies indicated their intent was to continue to primarily serve the TennCare population and indicated they would serve only enough Medicare patients to maintain Medicare certification so they could continue to be eligible to contract with TennCare MCOs.

The Agency approved all three requests and asked HSDA staff to report on these home health agencies' utilization data as documentation of their intent to primarily serve private duty patients as opposed to primarily serving intermittent patients. Private duty patients typically require multiple hour shifts whereas intermittent patients typically require a 1-2 hour visit.

There are currently four Maxim home health agencies: one each based in Nashville (Davidson County), Chattanooga (Hamilton County), Knoxville (Knox County), and Memphis (Shelby County). Friendship Private Duty is now known as Angel Private Duty.

Note to Agency members: Maxim and Friendship/Angel are currently in 5-Year Corporate Integrity Agreements (CIA) with the Office of Inspector General (OIG) of the United States Department of Health and Human

Services (HHS) to promote compliance with the statutes, regulations, and written directives of Medicare, Medicaid, and all other Federal health care programs. Contemporaneously with the CIAs, Maxim and Friendship/Angel have entered into Settlement Agreements with the United States.

Note to Agency members: The Joint Annual Reports for home health agencies report hours and visits but do not necessarily link hours to private duty and visits to intermittent care. For purposes of this analysis it is assumed that the data reported in hours was for private duty patients and the data reported in visits was for intermittent care patients.

Attached is a chart that shows patients served by payor source over the past three years at each of the five agencies.

Highlights of the chart:

- The largest payor source for all five agencies was TennCare hours. In 2014 all five agencies had over 90% hours of service in TennCare.
- In 2014 the next highest payor mix after TennCare in all the five agencies was commercial hours.
- Only two of the five agencies reported Medicare intermittent visits in 2014. In no circumstance, did Medicare account for more than a 1% payor mix. Private duty nursing is not a covered service under Medicare.

*TennCare, Tennessee's managed care Medicaid program, was established in 1994 under a federal waiver that authorized deviations from standard Medicaid requirements. Medicaid requires Medicare certification for home health agencies to participate in Medicaid. The first TennCare waiver required only that home health agencies be licensed to participate in TennCare. At some point, a subsequent waiver brought TennCare requirements for home health agencies in-line with standard Medicaid requirements regarding Medicare certification but the Agency was not aware of the change until after several agencies had received CON approval to provide private duty services. Medicare does not pay for private-duty services and will therefore not grant certification to an agency that provides only private-duty services.

Hours Provided by Payor Source for Listed Home Health Agencies

(Data reflects hours unless otherwise indicated.)

Agency	Home County	Medicare	TennCare	Commercial	Private Pay	Other Payments	Tricare
<i>Maxim Healthcare Services, Inc</i>	<i>Davidson</i>						
	2012	0	152,519	19,935	2,020	0	17,308 visits
	2013	0	194,455	8,636	2,100	14258	3 visits
	2014	0	257,086	16,882	907	3,996	5,682 visits
<i>Maxim Healthcare Services, Inc</i>	<i>Hamilton</i>						
	2012	4 visits	52,396	22,134	1,233	0	0
	2013	5 visits	130,623	9,537	363	54	4,137 visits
	2014	3 visits	117,706	7,137	34	95	74 visits
<i>Maxim Healthcare Services, Inc</i>	<i>Knox</i>						
	2012	0	484,460	41,866	1,616	8,970	430 visits
	2013	13 visits	444,271	33,528	1,739	5,171	2,569 visits
	2014	0	455,838	25,483	167	7,642	284 visits
<i>Maxim Healthcare Services, Inc</i>	<i>Shelby</i>						
	2012	0	197,454	15,528	2,315	120 visits	0
	2013	0	145,014	74,609	785	17003	0
	2014	0	264,475	18,681	616	2,200	0
<i>Angel Private Duty and Home Health, Inc (fka Friendship Private Duty, Inc)</i>	<i>Davidson</i>						
	2012	0	20467	105	0	0	0
	2013	52 visits	4,896	105	0	0	480 visits
	2014	68 visits	12,199	342	0	0	0

Source: 2012 - 2014 Final Home Health Joint Annual Reports